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May 25, 1989

Mr. David Shoemaker, Manager
Molycorp, Inc.
Questa Division
P.O. Box 469
Questa, New Mexico 87556

Dear Dave:

With this letter we are transmitting to you the revised version
of our report:

A Geochemical Investigation of the Origin
of Aluminum Hydroxide Precipitate in
the Red River, Taos County, New Mexico

Significant revisions include:

- . Recognition of the possible impact of long term variation in run off.
- . Incorporation of recent stream flow and chemical data from Capulin Canyon, Goathill Gulch and the Red River.
- . Recognition of diversion of acidic water in the Sulfur Gulch drainage.
- . Discussion of short term variability of river chemistry in relation to stream flow.

As always, it has been a pleasure working with you on this investigation. We especially appreciate the help and cooperation we have received from Fernando Martinez.

Very truly yours,



Scott G. Vail
Senior Geologist

enclosure

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